



Citizen Summit II

Housing in the District of Columbia

Over the spring and summer, the District government convened a series of neighborhood cluster meetings to foster in-depth conversations with District residents about the issues that affected their neighborhoods. Again and again, citizens raised affordable housing as a serious concern. They asked what the city is doing to ensure that housing remains affordable to our low-income citizens, and how we plan to create more affordable housing, even as real estate values rise. This document summarizes current activities addressing the city's housing needs and indicates the directions we intend to take in the upcoming fiscal year.

Mayor Williams focused the city's housing agenda around three principal goals:

- **Protect existing affordable housing and prevent displacement**
- **Convert vacant and dilapidated buildings into new housing**
- **Promote new housing for people of all incomes**

Preserve Affordable Housing

Protecting affordable housing and preventing the displacement of long-term residents is the foundation of the Mayor's housing policy. The District leads the region in providing housing that is affordable to low-income renters. We have more than 54 percent of the region's affordable rental units, but only 23 percent of the region's total rental units and only 12 percent of the region's population. The District also has a large share of the region's subsidized housing stock. The District of Columbia Housing Authority (DCHA) operates more than 9,000 units of public housing and administers 8,000 Section 8 certificates and vouchers. An additional 11,000 federally subsidized units are owned and operated by private providers.

The city has also financed thousands of units of affordable housing through grants, loans, tax-exempt bonds, and tax credits. Between 1999 and 2001, District agencies financed 7,240 units of affordable housing and they have another 4,000 units in their pipelines. Table I summarizes the projects financed during the past two fiscal years and the projects in the current pipeline.

Since fiscal year 1999:

- **DHCD closed more than \$50 million worth of projects and has \$35 million worth of projects in its pipeline.**
- **The Housing Finance Agency (HFA) closed \$195 million worth of projects and has another \$220 million worth of projects in its pipeline.**
- **The District of Columbia Housing Authority (DCHA) invested almost \$100 million into housing and has several million dollars worth of projects in the pipeline.**

Income Definitions	As a Percentage of Area Median Income	Annual Income for Individual	Annual Income for a Family of 4
Very Low Income	Under 30% of AMI	\$17,980 or less	\$25,680 or less
Low Income	30% - 60% of AMI	\$17,981 - \$36,330	\$25,680 - \$51,900
Moderate Income	60% - 80% of AMI	\$36,331 - \$47,950	\$51,900 - \$68,500
Middle Income	80% - 120% of AMI	\$47,951 - \$71,900	\$68,500 - \$102,700

In the past two years alone, the district financed:

- **1,265 units that are affordable to families earning less than 30% of AMI, or \$25,680 for a family of 4;**
- **3,400 units that are affordable to families earning less than 40% of AMI, or \$34,240 for a family of 4;**
- **2,200 units that are affordable to families earning less than 50% of AMI, or \$42,800 for a family of 4;**
- **1,700 units that are affordable to families earning less than 60% of AMI, or \$51,400 for a family of 4.**

In addition to the subsidy programs, the District has several programs that help residents find decent and affordable housing, and that help prevent displacement of low-income renters and homeowners.

- Rent control protects renters from dramatic increases in their rent. According to a recent study completed for the Financial Control Board, almost 2/3 of the apartments in the District are covered by rent control.
- The Neighborhood Stabilization Initiative has more than doubled the number of housing inspectors from 26 to 57 and increased code enforcement to improve the quality of existing rental housing. It also implemented RAPIDS, which allows inspectors to remotely access a central database and will speed up their enforcement work.
- The District's First Right to Purchase law and Tenant Purchase Assistance Program give building occupants the right and the ability to purchase their own buildings when faced with a conversion to high-priced condominiums. DHCD tenant acquisition loans helped tenants finance the purchase of 102 new condo and co-operative units in FY2000 and 55 units in FY2001.
- Below-market financing for rehabilitation of affordable apartment buildings available through DHCD enables owners to modernize their buildings without steep rent hikes. Some 400 units were rehabbed with DHCD assistance in FY2000.
- Low-cost loans to low-income homeowners help approximately 70 families a year to replace their roofs and boilers, fix up dilapidated porches and repair essential systems.

***Mayor Williams' Omnibus Housing Bill* (currently pending before the Council of the District of Columbia) contains several initiatives to help protect the stock of affordable housing and prevent displacement of low-income residents from their homes.**

- **Federally-Assisted Housing legislation would make it easier for the city, non-profit developers and other tenant-supported buyers to purchase and preserve federally-assisted rental housing.**
- **Circuit Breaker legislation would effectively cap increases in property taxes for low-income, long-term homeowners at 5 percent. Homeowners already are eligible for a \$30,000 homestead deduction and low-income senior citizens are eligible for a 50% tax deduction.**
- **Historic Housing Tax Credit legislation would help low- and middle-income families to repair and restore historic homes at a reduced cost. Families that otherwise might have had to sell deteriorating homes and move would receive an income tax credit equal to 25% of the cost of the renovation.**

Convert Vacant Buildings into New Housing

Like many older cities, the District's demographics have changed markedly over the past 30 years. While the most recent surveys indicate that the city's population is rebounding, 2000 census data show a 25% decline in population since 1970. Abandoned buildings and vacant lots stand as evidence of this loss. According to a 1999 survey, there are 3,800 vacant buildings scattered around the city.

These underutilized properties must be converted into housing for two reasons. First, they are an untapped resource that can be used to help the District meet its affordable housing needs. Second, converting abandoned buildings into homes helps stabilize neighborhoods, discourages crime and increases surrounding community.

Over the last two years, the District has made significant strides to address this problem, but much of the hard work is still ahead. The District put 11 parcels of government owned land out onto the market for development. These sites will produce almost 1,000 units of housing (see box at right).

In addition, DCRA has boarded up, cleaned up, and even demolished 1,400 vacant and abandoned units. Although these efforts have helped mitigate the impact of the blight on the surrounding neighborhoods, they did not transform the properties

into new homes. In the future, the District will play a more aggressive role in developing the abandoned buildings and vacant land around the city. The District will begin to acquire properties through tax foreclosure or, if necessary, through purchasing, and then transfer the properties to developers who will convert them into new homes.

Transforming District Owned Land	
Project	Total Units
Mather Building	54
Newseum	100
Wax Museum	400
Camp Simms	80
Columbia Heights	353
Total	987

During the upcoming year, additional tools will be created to help convert vacant land into new homes. DCRA will begin the process of modifying the District's building code to make it easier and less expensive to rehabilitate older buildings. *The Mayor's Omnibus Housing Bill* includes several provisions to bring these nuisance properties back to productive use:

- **Due Process Demolition legislation** will provide DCRA the authority to quickly demolish deteriorated and vacant properties that frequently are a nuisance to their community. The bill contains important protections to ensure that buildings are rehabilitated when appropriate and that historic preservation and the rights of owners are respected.
- **Quick Take amendments** will modify the existing law to ensure consistency with judicial interpretations and to provide more flexibility to dispose of properties to first-time homebuyers, neighbors and others who will rehabilitate and make good use of the abandoned and deteriorated properties.
- **Homestead amendments** will speed up disposition of deteriorated properties acquired by the District. The legislation will allow properties to be developed as rental housing, as well as for homeownership, and will permit the city to consider unsolicited proposals in certain circumstances.

Promote New Housing Development

The District's economic resurgence has brought new life and opportunities to the city and its neighborhoods. After years of a lagging housing market, there are now 14,450 housing units in the District's pipeline (see table at right). At the same time, however, the revival has brought pressures on the affordable housing market. Owners of low and moderate-income housing and federally subsidized rental properties are

feeling pressure to *increase* rents. Developers of new affordable housing are encountering difficulty as well, as rising land values and construction costs make low-cost housing development more challenging.

Again, the Williams administration has a number of initiatives underway to ameliorate the problem, but more work remains to be done. Of the 11,200 units that were financed since 1999 or are in the agencies' pipelines, approximately 7,700 are rehabilitation and preservation of existing occupied units and 3,400 units are new units available to District residents.

This fall the Administration will begin to review the City's Comprehensive Plan, where the city's zoning rules are established. The Williams Administration will consider new Inclusionary Development and Linkage policies to help promote mixed-income housing in downtown and throughout the city. Several provisions of the Mayor's Omnibus Housing bill also address the need for increased housing production for persons of all incomes:

District's Housing Pipeline	
Status	Units
Recently Completed	1,400
Under Construction	2,650
Advanced Planning	7,200
To Be Proposed	3,200
<i>Total</i>	<i>14,450</i>

Several provisions of the *Mayor's Omnibus Housing Bill* address the need for increased housing production for persons of all incomes as well.

- **Housing Production Trust Fund legislation** will expand the fund by channeling 15% of the real estate transfer tax and deed recordation tax to the fund, providing approximately \$10-12 million per year for affordable housing production.
- **Tax Abatements for New Residential Development legislation** will provide tax incentives for developers to build housing, especially mixed-income housing.

Citizen Housing Programs in the District of Columbia

Homeownership Assistance

- ***Housing and homeownership counseling services*** - The city funds community-based organizations to provide comprehensive housing counseling to DC residents, including information on accessing city housing assistance. **(Sheila Williams, DHCD, 202-442-7290)**
- ***HFA below market mortgages*** -- Using the proceeds from the sale of Single Family Mortgage Revenue Bonds and HOME funds, the HFA provides mortgages with interest rates as low as 3.75% for eligible borrowers. **(Gwen Adams, HFA, 202-777-1600)**
- ***Housing Purchase Assistance Program-HPAP*** –Provides deferred, no-interest or low-interest loans to eligible first-time homebuyers for down payment and closing cost assistance. **(William Jameson, DHCD, 202-442-7290)**
- ***Homestead Housing Preservation Program*** – City-owned homes and condominium units are sold to first-time homebuyers for as low as \$250. Homebuyers must have the resources to finance the rehabilitation of the properties. **(William Jameson, DHCD, 202-442-7290)**
- ***First-Time Homebuyer's Tax Credit*** – Individuals earning up to \$90,000 per year who purchase a home in the District are eligible for a federal income tax credit of up to \$5,000. **(Home Resource Center at HFA, 202-777-BOND or www.irs.ustreas.gov).**
- ***Single Family Residential Rehabilitation Program*** – Many low-income homeowners qualify for low-interest financing for necessary home improvements. **(Sheila Williams, DCHD, 202-442-7290)**
- ***Handicap Access*** – Owners seeking to improve access for persons with disabilities may obtain low-cost finance through the Single Family Program. **(Sheila Williams, DCHD, 202-442-7290)**
- ***Real estate tax exemptions*** – Owner-occupants in the District receive a \$30,000 Homestead deduction to reduce their real estate taxes. Low-income homebuyers pay no real estate transfer or recordation taxes at purchase, and are exempt from real estate taxes for five years under the Lower-Income Home Ownership Tax Abatement. Senior citizens are eligible for a 50% real estate tax credit through the Senior Citizen Real Property Tax Relief Program. **(Office of Tax and Revenue Customer Service Center, 202-727-4TAX)**

Assistance for Renters

- ***Housing Counseling*** –Community-based organizations provide information and counseling to DC residents with landlord-tenant disputes and other problems. **(Sheila Williams, DHCD, 202-442-7290)**
- ***Tenant Purchase Assistance Program***—the program provides technical assistance, legal counseling, loan packaging and organizing assistance to tenant organizations seeking to purchase their buildings. It also provides housing management assistance to recently formed condominium and cooperative associations. **(Robert Simon, DHCD, 442-7156)**
- The Office of Human Rights adjudicates complaints of violations of Fair Housing rights under federal and local statutes. **(Office of Human Rights, 727-3900)**

Assistance for Housing Producers

- The District of Columbia offers numerous programs to subsidize the cost of producing and rehabilitating affordable housing. See www.dcbiz.dc.gov for a list of citywide incentives for housing production or contact the Office of the Deputy Mayor for Planning and Economic Development at (202) 727-6365 for a brochure entitled "Economic Development Incentives in the District of Columbia."

District of Columbia Housing Pipeline Report (DHCD, DCHA, and HFA)

Project Name	Units	Ward	Affordability (as percent of area median income)						Market
			30%	40%	50%	60%	80%		
FY 2000									
Haven House Cooperative	29	1		14	15				
Aspen Court	105	4			15	90			
636 12th Street NE Cooperative	16	6					16		
Ft. Chapin	549	7			263	286			
Agape Apartments	11	8						11	
Barnaby Manor	124	8			124				
Congress Park I	163	8			72	91			
Stanton Glenn	378	8			96	276			6
Washington View Condos	70	8						70	
Wheeler Creek	314	8		56	56	57	36	109	
Widrich Court	136	8			136				
Subtotal FY 2000 Projects	1,895			70	777	800	52	190	6
FY 2001									
Archbishop Rivera Cooperative	34	1		34					
Clifton Terrace	152	1			152				
Frontiers	54	2		6	15	15	9	9	
Syphax School	41	2						41	
Rittenhouse	17	4					17		
Edgewood 4	258	5		103				155	
Montana Terrace	93	5		31	16	16	15	15	
Carver Terrace	312	6			240	72			
Ft Dupont Win	147	7		20		107		20	
Huntwood Apartments	212	7			212				
Capitol View Townhouses	90	8		90					
Douglass Gardens	182	8			182				
Elmwood South Condos	-	8							
Fred Doug Hope 6	600	8		230		120		140	110
Homes at Woodmont	176	8				176			
Livingston Manor	130	8					130		
Monterrey Park	56	8							56
Parkway Overlook West (100% Sec 8)	266	8			229	37			
Savannah Ridge	190	8		124		66			
Communities Group/Regency Devel. (pool)	202	6,7			202				
Safe Haven	49	6,7		48					
Scattered Site Homeownership	123			49	19	19	18	18	
Section 8 Project-Based Multicultural Coop	55			55					
Subtotal FY 2001 Projects	3,439			790	1,267	628	189	398	166
Current Pipeline									
1611 Park Rd	31	1		13			18		
Columbia Heights Village (100% Sec. 8)	460	1					460		
DCCH Pool - Chapin St. (100% Sec. 8)	15	1				15			
DCCH Pool - Euclid St. (100% Sec. 8)	18	1				15	3		
Faircliff Plaza	80	1					80		
Fairmont I & II	220	1					177		43
Golden Rule	127	1				127			
LEDC I Pool (St. Dennis/Deauville)	139	1				111	28		
Trinity Towers	122	1				29	93		
Capitol Park East Pool	600	2			256		336		8
Edgewood 3	200	5		89		111			
Riley Cheeks	13	5		13					
Capitol Hill Towers (Navy Yard)	342	6					137		205
Kentucky Courts	54	6		12				20	22
Deanwood Gardens	53	7		27	26				
East Cap Hope 6	555	7		249	129	121	28	28	
J.W. King Seniors Housing	75	7				75			
Randle Highlands Manor ALF	60	7					60		
AEDC I Pool	141	8			141				
Chesapeake Apartments	78	8			78				
Congress Park II	196	8			196				
Jeffery Gardens	261	8			136	125			
Knox Apartments	74	8			74				
St. Paul Senior Housing	56	8			53	3			
Trenton Park	259	8		2	257				
Trenton Terrace	260	8				77	63	120	
Subtotal FY 2001 Projects	4,534			405	1,346	809	1,483	168	278
Total Subsidized Projects (FY '00, FY '01, and current pipeline)*									
	9,868			1,265	3,390	2,237	1,724	756	450

* In FY 99, the agencies subsidized an additional 1,351 units.

	As a Percentage of Area Median Income	Annual Income for a Single Person	Annual Income for a Family of 4
Very Low Income	Under 30% of AMI	\$17,980	\$25,680
Low Income	30% - 60% of AMI	\$17,980-36,330	\$25,680-51,900
Moderate Income	60% - 80% of AMI	\$36,330-47,950	\$51,900-68,500
Middle Income	80% - 120% of AMI	\$47,950-72,000	\$68,500-102,700